



2014 Transportation Bond Referendum Information

Transportation Bond Issue on the Ballot on Nov. 4

In the Nov. 4 general election, Fairfax County voters will be asked to vote YES or NO on a transportation bond question. The question asks voters to allow the county to borrow up to \$100 million to fund the cost of constructing, reconstructing, improving and acquiring transportation

facilities. If the majority of voters approve the question, the county would be allowed to issue bonds to fund transportation projects, including roadway spot improvements, pedestrian and bicycle improvements.

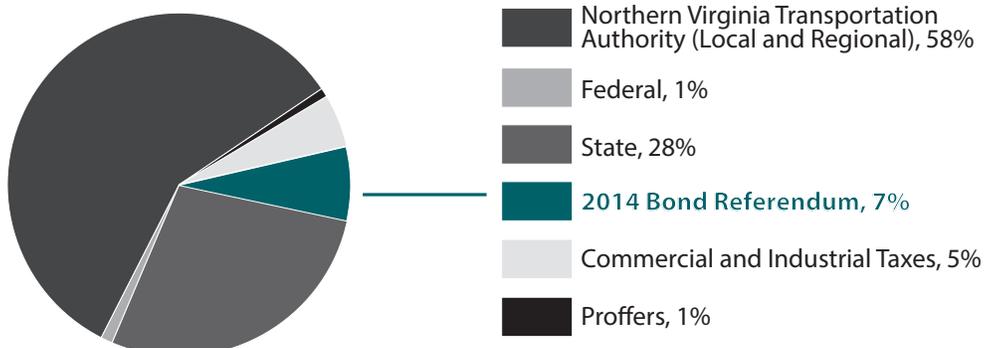
Background on Development of Six-Year Transportation Priorities

The projects identified for bond financing were selected through an extensive public process. In 2012, the Fairfax County Board of Supervisors approved a Four-Year Plan for Transportation. Several of the projects proposed for funding under the 2014 bond were identified in this FY 2013-FY 2016 Four-Year Plan.

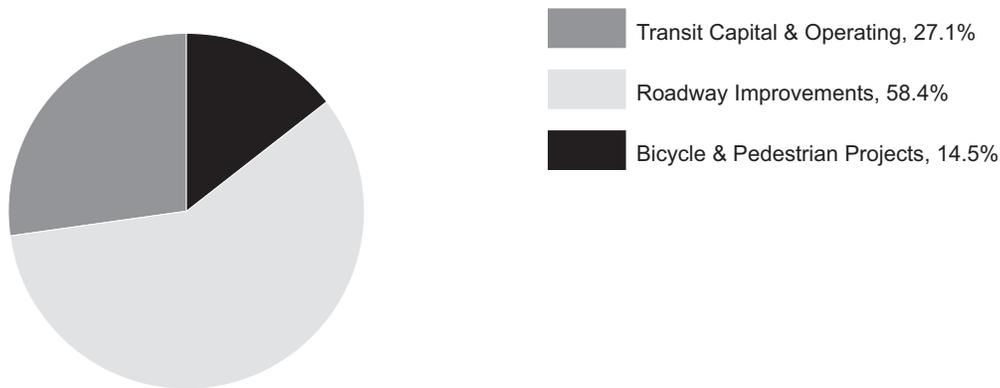
In addition, in 2012 and 2013 the Fairfax County Department of Transportation (FCDOT) conducted a Countywide Dialogue on Transportation (CDOT) to secure public input on transportation priorities. The CDOT process helped identify needs and possible resources to meet those needs. After the Virginia General Assembly approved landmark transportation funding legislation during the 2013 session, the CDOT process engaged the community through public meetings and online to determine how best to use the new funds allocated to the county. Based on community input, FCDOT developed a list of priority projects.

Informed by the CDOT process, on Jan. 28, 2014, the Board of Supervisors approved \$1.4 billion in new multimodal transportation priorities for the next six years. These priorities identify transportation projects to be implemented through FY 2020, as funding is made available. These priorities will be funded by several revenue sources. Revenues that fund the six-year priorities plan are in addition to all the federal, state, local, regional and private sources that fund previously approved projects. The transportation priorities include projects that are proposed for funding by the 2014 bond. Of the \$1.4 billion in transportation projects approved by the board, approximately \$200 million are pedestrian and bicycle projects. The proceeds of the bonds to be authorized by this referendum could be used to fund some of these pedestrian and bicycle needs.

Revenues Funding the Six-Year Transportation Priorities (\$1.4 billion)



Distribution of Six-Year Funding Between Types of Transportation Projects (\$1.4 billion)



Note: Roadway improvements include: widenings, extensions, interchanges and spot improvements.

Bond Referendum Overview

The 2014 bond referendum focuses primarily on funding spot roadway, pedestrian and bicycle projects, because other sources of revenue are better suited for the implementation of major roadway and transit projects. Of the \$100 million proposed bond, approximately \$16 million would be spent on roadway spot improvements across the county. \$78 million would fund pedestrian projects and \$6 million would fund bicycle projects

that enhance safety, provide connectivity and provide improved access to schools, activity centers and public transit facilities.

More information, a map and a complete list of project locations are available at: www.fairfaxcounty.gov/bond or contact the Fairfax County Department of Transportation at 703-877-5602, TTY 711.

Roadway Spot Improvements — \$16 Million (16% of Total Bond)

Almost \$16 million would be spent on spot roadway improvements across the county. These improvement projects increase capacity, reduce congestion, improve safety for vehicles and pedestrians and improve transit access for users, as well as transit vehicles. Spot roadway improvements may include: adding or lengthening turn lanes; upgrading traffic signals and signage; and constructing walkways. The spot improvement projects include:

- Adding a northbound **right turn lane on Roberts Road** at Braddock Road.
- Realigning a **right turn lane on North Chambliss Street** at Beauregard Street.
- Extending the **westbound left turn lane on Lorton Road** at Lorton Market Road.
- Adding an **eastbound left turn lane on Silverbrook Road** at Southrun Road and improving the intersection.

- Adding **left turn lanes on northbound and southbound Fort Hunt Road** at Collingwood Road, installing a traffic signal and constructing pedestrian facilities.

- Improving the alignment of **Old Courthouse Road S-curve** at Besley Road, implementing drainage improvements and constructing pedestrian/bicycle facilities.

- Improving the **intersection of Route 123** at Great Falls Road/Lewinsville Road by adding or extending turn lanes, upgrading the traffic signal and constructing missing pedestrian facilities.

- Improvements at **Shields Avenue** at North Kings Highway.

Pedestrian Improvement Projects — \$78 Million (78% of Total Bond)

Pedestrian improvements will enhance safety and complete missing links that provide connectivity between neighborhoods, schools, activity centers, parks and transit facilities. These improvements increase mobility options and help to reduce single occupancy vehicle trips. These types of improvements include constructing missing sidewalk and trail links, traffic signals and enhancing accessibility.

There are over 60 pedestrian improvement projects, some in each magisterial district, distributed across the county. Some of these improvements include:

- **Chain Bridge Road** – Install pedestrian improvements at Boone Boulevard; construct walkway on south side from Courthouse Road to Sutton Road.
- **Great Falls Street Walkway** – Construct walkway from I-66 bridge to North West Street.
- **Kirby Road Walkway** – Construct walkway on south side from Franklin Avenue to Chesterbrook Elementary School; construct walkway on north side from Chesterbrook Pool to east of Chesterbrook Elementary School.

- **Little River Turnpike** – Install pedestrian improvements at Old Columbia Pike; construct walkway on south side from Hillbrook Drive to Little River Run Drive; construct walkway on south side from Columbia Road to Mayhunt Court.

- **Reston Metrorail Access Group (RMAG)** – Construct missing sidewalk links and improve pedestrian access at intersections located near Phase II of the Dulles Rail Metrorail stations.

- **Richmond Highway Public Transportation Initiative (RHPTI)** – Construct missing sidewalk links and improve pedestrian access at intersections along the Richmond Highway (Route 1) corridor.

- **Route 50 Shared-Use Path** from West Ox Road to east of Lee Road.

- **Westmoreland Street Walkway** – Construct walkway on west side from Kirby Road to Lemon Road.

Bicycle and Trail Improvement Projects — \$6 Million (6% of Total Bond)

Bicycle and trail improvements will enhance safety and complete missing links that provide connectivity among neighborhoods, schools, activity centers, parks and transit facilities. These improvements increase mobility options and help to reduce single occupancy vehicle trips. These types of improvements include installing bicycle lanes on existing roadways, constructing shared-use paths, adding bicycle parking and enhancing accessibility.

There are 15 bicycle and trail improvement projects distributed throughout the county. Some of these projects include:

- **Burke Road Bike Lanes** from Mill Cove Court to Rolling Road Virginia Railway Express (VRE) Station.

- **Burke Centre VRE Connector Phase IV** – Construct shared-use path from Burke Centre VRE to the west to Oak Leather/Lake Barton.

What Are Bonds?

Bonds are a form of long-term borrowing used by most local governments to finance public facilities and infrastructure. Bond financing makes it possible to build facilities and infrastructure with capacities based on future population estimates and to spread the cost equitably over the useful life of the facilities. This kind of financing allows the cost of a facility to be spread over a number of years so that each generation of taxpayers contributes a proportionate share for the use of these long-term investments.

Q Why referenda?

A Virginia law requires that voters in Fairfax County approve general obligation bonds through a referendum. You have the opportunity to vote either YES or NO. If the majority votes YES on a question, then the Fairfax County Board of Supervisors will be authorized to sell bonds for the purpose described in the ballot question. If the majority votes NO on a question, the county cannot issue general obligation bonds to finance the purpose described in the question.

Q What is the cost of borrowing?

A Borrowing always entails interest costs. Since the interest earned by holders of municipal bonds is usually exempt from federal taxes, interest rates for these bonds generally are lower than the rate charged for private loans. Because of our county's reputation for sound financial management, Fairfax County has the highest credit rating possible for any government: triple-A from Moody's Investors Service Inc.; from Standard & Poor's Corp.; and from Fitch Ratings. As of May 2014, Fairfax County is one of only nine states, 37 counties and 32 cities to hold a triple-A rating from all three rating agencies. For this reason, Fairfax County's bonds sell at relatively low interest rates compared to other tax-free bonds.

Q What are the benefits of Fairfax County's triple-A ratings?

A The county's triple-A ratings also lower the county's borrowing costs. The county's policy of rapid debt retirement and strong debt management guidelines serves to keep debt per capita and net debt as a percentage of estimated market value of taxable property at low levels. Since 1978, the county has saved over \$646.48 million on bond and refunding sales as a result of the triple-A ratings.

Q Will these bonds cause a tax rate increase?

A The bond program is not designed to contribute to an increase in your tax rate. Fairfax County has adopted a prudent financial management policy designed to protect its triple-A ratings. Under the program, the county's net long-term debt is not to exceed 3 percent of the total market value of taxable real and personal property in the county. It also provides that annual debt service (the cost of principal and interest payments) be kept below 10 percent of annual combined

general fund spending, and that bond sales shall not exceed an average of \$275 million per year or \$1.375 billion over five years.

For fiscal year (FY) 2014, the county's projected actual net long-term debt is 1.22 percent of the market value of all taxable real and personal property. Debt service costs in FY 2014 are projected to be 8.22 percent of the combined general fund disbursements. The FY 2015-2019 Capital Improvement Program adopted by the Fairfax County Board of Supervisors on April 29, 2014, anticipates issuance of an average of \$275 million of general obligation bonds per year. This policy is expected to keep debt service at lower than 9 percent of general fund disbursements, which will maintain a balance between operating expenses and long-term capital needs.

Q Why not pay for capital improvements on a pay-as-you-go basis?

A If capital construction was financed on a pay-as-you-go basis out of current tax revenues, expenditures would be paid for in a much shorter time frame, which could necessitate tax rate increases or a significant reduction in other county services. Bonding spreads the cost of major projects of general benefit to county residents over future years and ensures that both current and future residents and users share in the payment. Without bond funding, capital improvement budgeting also is less predictable.

Q What percentage of my taxes goes toward paying for the bonds?

A Over the past 20 years, the share of taxes used to pay debt service has fluctuated from 7.5 percent to a high of 9.3 percent. Currently, the rate is about 8.22 percent and is projected to remain under or slightly above 9 percent based on current market and revenue forecasts even assuming passage of the transportation bond referendum.

Q What is the county's total bonded indebtedness?

A As of July 2014, the total of general obligation bond and other tax-supported debt from FY 2014 through FY 2042, or for the next 30 years, is \$2.81 billion in principal and total interest payments on the outstanding debt is \$1.03 billion. Over the next five years, \$1.5 billion or approximately 40 percent of the total debt is scheduled to be paid off.

Q Can the proceeds of the bonds on the Nov. 4 ballot be used for other purposes?

A Proceeds of the sale of bonds authorized for a specific purpose may not, by law, be used for any purpose other than the purpose specified in the referendum question. In other words, the proceeds of the sale of library bonds may not be used to finance other projects, such as transportation or storm drainage projects. However, the county is permitted to issue bonds for any purpose described in the related ballot question.

Q Why put forth additional referenda if there are still unsold bonds?

A Fairfax County bond packages are planned to fund specific projects. This means that all previous bond authorizations were planned for or are obligated to specific projects. These projects often take a number of years to complete. Bonds are sold only as the money is needed, resulting in substantial amounts of authorized but unissued bonds. Prudent financial management dictates bonds should not be sold until the actual cash is required.

Some pro and con arguments about financing capital projects through bond funding:

PRO

Some people think that bond financing is a vital part of the county's comprehensive approach to the challenge of funding needed infrastructure and capital facilities. Here are some of the arguments used by proponents of bond funding:

- Bonding spreads the cost of major projects of general benefit to county residents over future years and ensures that both current and future residents and users share in the payment.
- Spreading the cost of major projects permits the county to accomplish more projects sooner than would pay-as-you-go using only current tax revenues.
- Constructing the proposed county facility improvement projects from current general tax dollars cannot be accomplished without substantial cuts to current programs or increased revenues from taxes and fees.
- Prudent use of long-term debt can be accomplished without having any adverse impact on the county's bond ratings or the tax rate.

CON

Some people think that the issuing of general obligation bonds is neither justified nor a viable solution to the county's capital infrastructure and facility needs. Here are some of the arguments used by opponents of bond funding:

- Issuing general obligation bonds results in a long-term future obligation for the county that may create an unmanageable burden on future taxpayers. Pay-as-you-go financing would not create long-term debt.
- Costs for infrastructure and facilities should be borne by those directly using or benefiting from them, not by all taxpayers.
- These facilities could be fully or partially paid for out of the current revenues by cutting or eliminating other programs.
- The funds otherwise spent on debt service could support a substantial pay-as-you-go program of capital construction adequate to meet the county's needs.

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For contact information, visit www.fairfaxcounty.gov/government/board.

Do You Have a Photo ID to Vote on Election Day, Nov. 4?

Virginia now requires everyone to provide an acceptable photo ID in order to vote in person. If you do not have a valid Virginia driver's license, Department of Motor Vehicles (DMV) ID card, U.S. passport, military ID or other government-issued ID, you may need to get a free photo ID from the Office of Elections. To find out more, call the number below today.

¿Tiene usted una identificación con foto para votar el día de las elecciones, 4 de noviembre?

Virginia ahora requiere que todos los votantes presenten una identificación con foto que sea aceptable para votar en persona. Si usted no tiene una licencia de conducir de Virginia, tarjeta de identificación emitida por el Department of Motor Vehicles (DMV), pasaporte estadounidense, identificación militar u otra identificación oficial. Para más información llame al número que aparece abajo.

Fairfax County Office of Elections
703-222-0776 (TTY 711)

Information is also online at www.fairfaxcounty.gov/elections
La información también está en línea en www.fairfaxcounty.gov/elections

To request this information in an alternate format, call the Office of Public Affairs at 703-324-7329, TTY 711.

Fall 2014

2014 Bond Referendum Information for Residents

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